## IN THE CLAIMS

What is claimed is:

- 1. (Original) A method for distributing optical recorded media to and from users, comprising the steps of:
  - coupling one or more kiosks to a central server via the Internet, each of the kiosks containing a plurality of optical recorded media;
  - automatically interfacing with a first user at a first kiosk in a first transaction for first local optical recorded media, the first local optical media contained within the first kiosk, the first kiosk being one of the kiosks, the first user being one of the users;
  - automatically communicating between the first kiosk and the server to authorize the first transaction; and
  - dispensing the first local optical media to the first user if the first transaction is approved.
- 2. (Original) A method of claim 1, further comprising the step of returning the first optical media to a second kiosk.
- 3. (Original) A method of claim 2, wherein the step of returning the first optical media comprises the steps of capturing a digital image of a first code on the first optical media and scanning the image to determine a group identifier, the group identifier indicating which of the kiosks the first optical media may be returned to, and accepting the first optical media at the second kiosk when the second kiosk is associated with the group identifier.
- 4. (Original) A method of claim 3, further comprising the steps of rotating the image, via internal software to the first kiosk, and rescanning the first code to determine the group identifier.
- 5. (Original) A method of claim 3, wherein the step of capturing a digital image comprises capturing a second code on the first optical media and scanning the image to determine a disk identifier, the disk identifier uniquely identifying the first optical media, and reporting inventory of the first optical media to the central server if the first optical media is accepted at the second kiosk.

- 6. (Original) A method of claim 5, further comprising the steps of rotating the image, via internal software to the first kiosk, and rescanning the second code to determine the disk identifier.
- 7. (Original) A method of claim 3, wherein one or both of the first code and second code comprise a bar code.
- 8. (Original) A method of claim 3, wherein the second kiosk is the first kiosk.
- 9. (Original) A method of claim 3, wherein the step of returning the first optical media comprises the steps of sensing characteristics of a case housing the first optical media, determining if the characteristics match predetermined characteristics associated with the first kiosk, and opening a door to an input/output slot of the first kiosk to accept the case and optical media when the characteristics match the predetermined characteristics.
- 10. (Original) A method of claim 9, wherein the predetermined characteristics are defined by physical structure of the case.
- 11. (Original) A method of claim 10, wherein the physical structure forms one or more holes and one or more blocked regions in the case, and wherein the step of sensing characteristics comprises sensing the holes and blocked regions.
- 12. (Currently Amended) A method of claim 21, further comprising tracking inventory movement of the first optical media between the first kiosk and the one kiosk, the step of tracking being accomplished at the central server.
- 13. (Original) A method of claim 1, further comprising the steps of obtaining and storing one or more images through an image capturing device located within, or in proximity to, the first kiosk.
- 14. (Original) A method of claim 13, wherein the step of obtaining comprises the step of imaging a person proximal to the first kiosk.
- 15. (Original) A method of claim 13, wherein the step of obtaining comprises the step of imaging a person interacting with the first kiosk.

- 16. (Original) A method of claim 13, wherein the step of obtaining comprises the step of imaging a person conducting a user identification or credit card input at the first kiosk.
- 17. (Original) A method of claim 13, further comprising the step of transmitting the images to the central server.
  - 18. (Currently Amended) A method of claim 1, further comprising the steps of : automatically interfacing with a second user at a second kiosk in a second transaction for second local optical recorded media, the second local optical media contained within the second kiosk, the second kiosk being one of the kiosks and not the first kiosk, the second user being one of the users; automatically communicating between the second kiosk and the server to authorize the second transaction; and

dispensing the second local optical media to the second user, at the second kiosk, if the second transaction is approved.

- 19. (Original) A method of claim 18, further comprising the step of managing the first and second kiosks from the central server.
- 20. (Original) A method of claim 18, further comprising the steps of communicating advertising information from the server to a third kiosk, the third kiosk being one of the kiosks, and communicating the advertising information to users at the third kiosk.
- 21. (Original) A method of claim 20, wherein the step of communicating the advertising information comprises one of (a) displaying the information on a screen at the third kiosk and (b) audibly communicating the information to the users through speakers at the third kiosk.
  - 22. (Original) A method of claim 20, wherein the third kiosk is the first kiosk.
- 23. (Original) A method of claim 1, further comprising the step of backing up at least part of information stored in the central server within internal memory within the first kiosk.
- 24. (Original) A method of claim 1, further comprising the steps of profiling user transactions at a fourth kiosk and communicating advertising information at the fourth kiosk based on the profiling of user transactions, the fourth kiosk being one of the kiosks.

- 25. (Original) A method of claim 24, wherein the fourth kiosk is the first kiosk.
- 26. (Original) A method of claim 1, further comprising the step of managing a group of kiosks through the central server via a personal computer connected to the Internet, the group of kiosks being a subset of all the kiosks.
- 27. (Currently Amended) A method of claim 26, wherein the step of managing the group of kiosks comprisinges managing advertising information communicated to users at any of the kiosks within the group of kiosks.
- 28. (Original) A method of claim 26, further comprising determining inventory at any of the kiosks within the group of kiosks.
- 29. (Original) A method of claim 1, further comprising the step of determining inventory of any of the kiosks via Internet access through the central server.
- 30. (Original) A method of claim 29, further comprising the step of emailing discount coupons to the first user through the Internet and based on the inventory.
- 31. (Original) A method of claim 1, further comprising the step of identifying one or more alarm states associated with the first kiosk.
- 32. (Original) A method of claim 31, further comprising the steps of automatically identifying the alarm states and automatically sending information about the alarm states to an administration associated with the central server.
- 33. (Original) A method of claim 32, further comprising the step of communicating one or both of voice and text messages to the administration as a message communicated by one or more of a mobile phone, pager, email and other wireless device.
- 34. (Original) A method of claim 1, further comprising the step of generating automatic promotions at one or more of the kiosks.
- 35. (Original) A method of claim 34, wherein the step of generating automatic promotions comprises the step of processing unique promotion codes.

- 36. (Original) A method of claim, 35, wherein the step of processing unique promotion codes comprises the step of obtaining the promotion codes from a touch screen at the first kiosk.
- 37. (Original) A method of claim 35, wherein the step of processing unique promotion codes comprises the step of obtaining the promotion codes from a magnetic card swipe through a reader at the first kiosk.
- 38. (Original) A method of claim 1, further comprising the step of distributing a coupon to one or more users of the system.
- 39. (Original) A method of claim 38, wherein the step of distributing a coupon further comprises the step of distributing a coupon to a user of the first kiosk.
- 40. (Original) A method of claim 39, wherein the step of distributing a coupon to a user comprises the step of distributing a coupon activated by a transaction at the first kiosk.
- 41. (Original) A method of claim 1, further comprising the step of administering kiosk business data through a remote web-interface.
- 42. (Currently Amended) A kiosk for coordinated operation within a system for distributing optical recorded media to users at a plurality of locations, a central server controlling the system, the kiosk comprising:
  - a housing, and a rotatable carousel within the housing, for storing an array of optical media; a user interface for accepting user inputs, including a selected optical media from the array of optical media, and for displaying information;
  - a reader for scanning user authorization information;
  - a processor controlling the kiosk in communication with the central server;
  - an input/output mechanism for dispensing and receiving one of the array of optical media through a slot in the mechanism; the carousel rotating in response to commands by the processor to align the selected optical media with the slot and the input/output mechanism dispensing the selected optical media when the central server communicates, to the kiosk, acceptance of the authorization information.

- 43. (Original) A kiosk of claim 42, wherein the user interface comprises a touch screen.
- 44. (Original) A kiosk of claim 42, wherein the array of optical media comprises an array of DVDs.
- 45. (Original) A kiosk of claim 42, wherein the reader comprises a mag-stripe reader for capturing at least one of a credit, debit, or club card number.
- 46. (Original) A kiosk of claim 42, wherein the carousel comprises a set of extruded elements, the set comprising a plurality of spoke extrusions and a plurality of ring extrusions, the ring extrusions connecting with the spoke extrusions to form the carousel and a plurality of slots for the array of optical media.
- 47. (Original) A kiosk of claim 46, further comprising a hub extrusion forming a center of the carousel, the hub extrusion coupling with the spoke extrusions.
- 48. (Original) A kiosk of claim 46, wherein the ring extrusions comprise a series of inner ring extrusions and a series of outer ring extrusions.
- 49. (Original) A kiosk of claim 46, the carousel constructed and arranged to hold approximately 102 optical recorded media.
- 50. (Original) A kiosk of claim 42, further comprising internal memory for storing selected information redundant to the central server.
- 51. (Original) A kiosk of claim 42, the input/output mechanism and processor cooperating to accept data from returned optical media to the kiosk, for storage within the carousel.
- 52. (Original) A kiosk of claim 51, further comprising a digital camera for capturing a digital image of the returned optical media.
- 53. (Original) A kiosk of claim 52, the processor electronically scanning the image to decode one or more bar codes on the returned optical media.
- 54. (Original) A kiosk of claim 53, the processor rotating the image if the processor fails to decode the bar codes, the processor scanning the rotated image to decode the one or more bar codes of the returned optical media.

- 55. (Original) A kiosk of claim 51, further comprising a first case sensor light and a first case sensor, the first case sensor light illuminating light through a case containing the returned optical media, the processor determining whether the case may be accepted within the input/output mechanism based on signals from the first case sensor.
- 56. (Original) A kiosk of claim 55, further comprising a second case sensor light and a second case sensor, the second case sensor light illuminating light to the case, the processor determining whether the case may be accepted within the input/output mechanism based on signals from the first and second case sensors.
- 57. (Original) A kiosk of claim 42, wherein the housing comprises one or more weld joints forming an enclosure about the carousel and with the user interface and input/output mechanism.
- 58. (Original) A kiosk of claim 42, further comprising one or more recorded optical media within the carousel.
- 59. (Original) A kiosk of claim 42, further comprising a first motor for rotating the carousel and a second motor connected to one or more cams for opening and closing a door to the input/output mechanism, the first and second motors being responsive to controls by one or both of the processor and central server.
- 60. (Original) A kiosk of claim 42, further comprising a case presence sensor for detecting whether a case is within a slot of the carousel.
- 61. (Original) A kiosk of claim 42, the input/output mechanism comprising a feedback sensor and an eject arm, the feedback sensor sensing position of the eject arm for dispensing or retrieving optical media through the slot.
- 62. (Original) A kiosk of claim 42, wherein optical media secured within the kiosk is accessible only through the slot.
- 63. (New) A method for distributing optical recorded media to and from users, comprising the steps of:
  - coupling a plurality of kiosks to a central server via the Internet, each of the kiosks configured to dispense a plurality of optical recorded media;
  - automatically interfacing with a first user at a first kiosk in a first transaction for first local optical recorded media, the first local optical media contained within the

- first kiosk, the first kiosk being one of the kiosks, the first user being one of the users;
- automatically communicating between the first kiosk and the server to authorize the first transaction;
- dispensing the first local optical media to the first user if the first transaction is approved; and
- accepting return of the first local optical media at a second kiosk, the second kiosk being one of the kiosks.
- 64. (New) A method of claim 63, wherein the step of accepting the first optical media comprises the steps of capturing a digital image of the first optical media.
- 65. (New) A method of claim 64, further comprising the step of electronically scanning the image to decode one or more bar codes on the first optical media to determine an identifier of the first optical media.
- 66. (New) A method of claim 63, further comprising tracking inventory movement of the first optical media between the first kiosk and the second kiosk.
- 67. (New) A method of claim 63, further comprising communicating advertising information from the server to any of the one or more kiosks, to communicate advertising information to the users.
- 68. (New) A method of claim 63, further comprising the steps of profiling user transactions at one of the kiosks and communicating advertising information to the kiosk based on the profiling.
- 69. (New) A method of claim 63, further comprising determining inventory at any of the one or more kiosks.
- 70. (New) A method of claim 63, further comprising the step of generating promotions at one or more of the kiosks.
- 71. (New) A method of claim 63, further comprising the step of distributing a coupon to a user.

kiosk:

- 72. (New) A kiosk for coordinated operation within a system for distributing optical recorded media to users at a plurality of locations, a central server controlling the system, the kiosk comprising:
  - a housing for storing an array of optical media;
  - a user interface for accepting user inputs, including a selected optical media from the array of optical media, and for displaying information;
  - a reader for scanning user authorization information;
  - a processor controlling the kiosk in communication with the central server;
  - an input/output mechanism for dispensing and receiving one of the array of optical media through a slot in the housing and in response to commands by the processor to align the selected optical media with the slot when the central server communicates, to the kiosk, acceptance of the authorization information; and
  - a sensor for sensing a characteristic of optical recorded media; the processor determining whether the optical recorded media may be accepted within the input/output mechanism based on signals from the sensor.
- 73. (New) A coordinated kiosk system for distributing optical recorded media to users at a plurality of locations, a central server controlling the system, the system comprising:
  - a first kiosk for storing, dispensing and receiving optical recorded media; a processor controlling the first kiosk in communication with the central server; an inventory database to provide inventory of optical recorded media within the first
  - a second kiosk for storing, dispensing and receiving optical recorded media, the second kiosk remote from the first kiosk, the second kiosk comprising:
    - a user interface for accepting a user input, including a request for optical recorded media;
    - a processor controlling the second kiosk in communication with the central server and configured for querying the inventory database when the requested optical recorded media is not contained within the second kiosk; and

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a display for displaying a location of the first kiosk to the user when the requested optical recorded media is located in the inventory of optical recorded media within the first kiosk.